

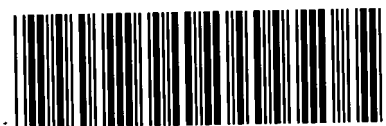
Registered number
617406

Abbey Metal Finishing Company Limited

Annual report and financial statements

31 December 2017

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Abbey Metal Finishing Company Limited
Annual report and financial statements
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Abbey Metal Finishing Company Limited
Company Information

Directors during the year, and up to the date of signing the financial statements

G Vaughan

T Franks

B Johnston

G Griffiths

Company Secretary

J Morton Resigned 20/04/2018)

A Takk (appointed 20/04/2018)

Principal place of business

Unit 2, Dodwells Bridge Industrial Estate

Hinckley

West Midlands

LE10 3BZ

Independent auditors

Deloitte LLP

Statutory Auditor

London

Registered office

Linton Park

Linton

Near Maidstone

Kent, ME17 4AB

Registered number

617406

Abbey Metal Finishing Company Limited
Strategic report for the year ended 31 December 2017

Principal activities

The company trades as metal finishers.

Business review

The company continues to operate as a trading company. The results for the year and the financial position of the company are as shown in the annexed financial statements.

Key performance indicator

The directors consider the performance measurement of EBITDA, which is set out in the table below, to be the most appropriate:

	2017	2016
	£	£
EBITDA	<u>480,400</u>	<u>698,238</u>

Principal risks and uncertainties

The company is dependent, for a significant portion of its revenue, on the aerospace industry, and a downturn in this sector would have an impact on turnover and profitability. Some of the processes used by the company require high standards of health and safety and environmental management; failure to maintain these standards could give rise to accidents or environmental damage. The company is a wholly owned subsidiary of Camellia plc. As such, all relevant risks and performance reporting through key performance indicators is available within the annual report of Camellia plc.

Operational risk management

A significant downturn in the aerospace industry, which is the sector in which the majority of the company's customers operate, would have an adverse effect on financial performance. The company is represented on a number of trade bodies in the aerospace sector, and monitors developments in the sector on a regular basis.

This report was approved by the board on 19th June 2018

B Johnston
Director



19th June 2018

Abbey Metal Finishing Company Limited
Directors' report for the year ended 31 December 2017.

The directors present their report together with the audited financial statements of the company for the year ended 31 December 2017.
The registered number of the company is 617406.

Future developments

The company will continue to trade as metal finishers.

Results and dividends

The loss for the year is £109,505 (2016: profit of £79,389). The directors have not paid a dividend for the year (2016: £Nil).

The directors have given due consideration to all the relevant circumstances, and, have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future, and therefore have concluded that the going concern basis is appropriate for the preparation of the financial statements for the year ended 31 December 2017.

The directors of the company are listed on page 2.

Principal risks and uncertainties

These are set out in the strategic report, and Note 20 to these financial statements.

Financial risk management

The company's operations expose it to a variety of financial risks that include credit risk and liquidity risk. Given the size of the company, the directors have not delegated the responsibility for monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Credit Risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual customer is subject to a limit.

Liquidity Risk

The company has access to banking facilities and inter-company funding so as to ensure that it has sufficient funds available to operate.

Insurance

The directors are covered by a group insurance policy in respect of legal actions against them in their capacity as directors of the company. The current level of cover is £20 million.

Statement of disclosure of information to auditors

In accordance with Section 418, in the case of each director in office at the date the directors' report is approved:

- (a) So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) and to establish that the company's auditors are aware of that information.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

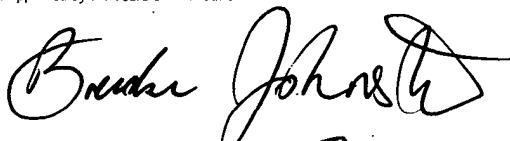
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors

Following the resignation of PricewaterhouseCoopers LLP the Board have appointed Deloitte LLP as auditor of the Company pursuant to section 485(3) of the Companies Act 2006.

This report was approved by the board on 19th June 2018

B Johnston
Director



19th June 2018

Abbey Metal Finishing Company Limited

Independent auditors' report to the members of Abbey Metal Finishing Company Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and IFRSs as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of British Metal Treatments Limited (the 'company') which comprise:

- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

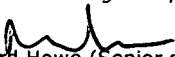
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.


Richard Howe (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

19th June 2018

Abbey Metal Finishing Company Limited
Statement of Comprehensive Income
for the year ended 31 December 2017

	Note	2017 £	2016 £
Revenue	2	5,016,326	4,905,465
Cost of sales		(2,389,894)	(2,370,379)
Gross profit		2,626,432	2,535,086
 Administrative expenses		 (2,735,097)	 (2,445,126)
Finance income	4	94,775	92,951
Finance costs	5	(95,615)	(103,522)
 (Loss)/profit before tax	3	 (109,505)	 79,389
 (Loss)/Profit for the year attributable to owners of the parent		 (109,505)	 79,389
 Total comprehensive (loss)/income for the year		 (109,505)	 79,389

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

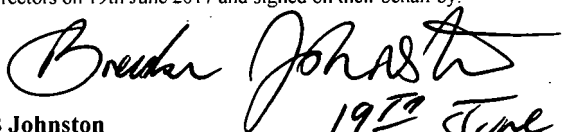
The notes on pages 10 to 21 form an integral part of these financial statements.

Abbey Metal Finishing Company Limited
Balance Sheet
as at 31 December 2017

	Note	2017 £	2016 £
Non-current assets			
Property, plant and equipment	10	4,765,787	5,210,897
Investment in subsidiary undertaking	12	27,602	27,602
Trade and other receivables	13	1,687,096	2,140,753
Total non-current assets		6,480,485	7,379,252
Current assets			
Inventories	11	136,123	119,447
Trade and other receivables	13	1,038,323	951,336
Cash and cash equivalents	14	319,065	294,299
Total current assets		1,493,511	1,365,082
Current liabilities			
Trade and other payables	15	(736,054)	(746,886)
Current income tax group relief		(266,501)	(266,501)
Total current liabilities		(1,002,555)	(1,013,387)
Net current assets		490,956	351,695
Total assets less current liabilities		6,971,441	7,730,947
Non-current liabilities			
Amounts due to group undertakings	16	(2,162,324)	(2,812,325)
Total non-current liabilities		(2,162,324)	(2,812,325)
Net assets		4,809,117	4,918,622
Equity			
Share capital	17	1,000,200	1,000,200
Retained earnings	19	3,733,066	3,842,571
Other reserves		75,851	75,851
Total equity		4,809,117	4,918,622

The notes on pages 10 to 21 form an integral part of these financial statements.

The financial statements on pages 6 to 21 were approved by the board of directors on 19th June 2017 and signed on their behalf by:


B Johnston 19th June 2018

Director
 Company Number: 617406

Abbey Metal Finishing Company Limited
Statement of Changes in Equity
for the year ended 31 December 2017

	Attributable to the owners of the parent			
	Share capital	Retained earnings	Other reserves	Total equity
	£	£	£	£
At 1 January 2016	1,000,200	3,763,182	75,851	4,839,233
Profit and total comprehensive income for the year	-	79,389	-	79,389
At 31 December 2016	<u>1,000,200</u>	<u>3,842,571</u>	<u>75,851</u>	<u>4,918,622</u>
Loss and total comprehensive loss for the year	-	(109,505)	-	(109,505)
At 31 December 2017	<u>1,000,200</u>	<u>3,733,066</u>	<u>75,851</u>	<u>4,809,117</u>

Abbey Metal Finishing Company Limited
Cash Flow Statement
for the year ended 31 December 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
(Loss)/profit before tax		(109,505)	79,389
Adjustments for:			
Depreciation		589,065	608,278
Loss on disposal of property, plant and equipment		-	7,646
Net finance income		840	10,571
		<u>480,400</u>	<u>705,884</u>
(Increase)/Decrease in stock		(16,676)	(6,956)
Increase in trade and other receivables		(86,987)	(80,691)
(Decrease)/Increase in trade and other payables		(10,832)	(293,720)
Cash generated from operations		<u>365,905</u>	<u>324,517</u>
Interest paid		(95,615)	(103,522)
Net cash generated from operating activities		<u>270,290</u>	<u>220,995</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(143,955)	(215,202)
Loans to subsidiary undertaking	13	453,657	(366,277)
Interest income	4	94,775	92,951
Net cash generated from/(used in) investing activities		<u>404,477</u>	<u>(488,528)</u>
Cash flows from financing activities			
Repayments to group undertakings	16	(650,001)	(280,000)
Net cash from financing activities		<u>(650,001)</u>	<u>(280,000)</u>
Net increase/(decrease) in cash and cash equivalents	14	<u>24,766</u>	<u>(547,533)</u>
Cash and cash equivalents at beginning of year		294,299	841,832
Cash and cash equivalents at end of year		<u>319,065</u>	<u>294,299</u>
		<u>24,766</u>	<u>(547,533)</u>

The notes on pages 10 to 21 form an integral part of these financial statements.

Abbey Metal Finishing Company Limited
Notes to the financial statements
for the year ended 31 December 2017

General Information

Abbey Metal Finishing Company Limited (the Company) is incorporated in England and Wales and is a member of the Camellia group (the Group). The primary business of the company is in the trade of metal finishing. The company is a private limited company, which is domiciled in England.

1 Accounting policies

The principal accounting policies in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU IFRS IC interpretations, IFRSs as issued by the International Accounting Standards Board, and the Companies Act 2006 applicable to companies reporting under IFRS using the historic cost convention. These financial statements contain information about Abbey Metal Finishing Company Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, as it and its subsidiary are included in the consolidated financial statements of Camellia plc.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources, including access to group facilities if required, to continue to operate for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

Foreign currency translation

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Translation differences on non-monetary items carried at fair value are reported as part of the fair value gain or loss. Gains and losses arising on retranslation are included in the income statement, except for exchange differences arising on non-monetary items where the changes in fair value are recognised directly in equity.

The financial statements are presented in sterling, which is the company's functional and presentation currency.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, value added tax and other sales related taxes. Revenue is recognised at the point when processed goods are delivered to, or collected by, the customer. Amounts agreed as being receivable from insurers are recognised as other operating income.

Abbey Metal Finishing Company Limited
Notes to the financial statements (continued)
for the year ended 31 December 2017

1 Accounting policies (continued)

Property, plant and equipment

All property, plant and equipment (PPE), is shown at deemed cost less subsequent depreciation and impairment, except for land, which is shown at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of these assets.

On transition to IFRS, the company has followed the transitional provisions and elected that previous UK GAAP revaluations be treated as deemed cost.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

No depreciation is provided on freehold land. Depreciation of other fixed assets is calculated to write off their cost less residual value on a straight-line basis over their expected useful lives.

The rates of depreciation used for the other assets are as follows:

Freehold buildings	2.5 to 3.5 per cent. per annum
Motor vehicles, plant and machinery	10 to 25 per cent. per annum
Fixtures, fittings and equipment	10 to 25 per cent. per annum

Assets in the course of construction are not depreciated until they are fully commissioned and brought into use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is included in the income statement.

Impairment of assets

Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Trade and other receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables.

A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms. The amount of the provision is recognised in the income statement.

Assets held for resale

Non-current assets are classified as assets held for resale when their carrying amount is to be recovered principally through a sale transaction, and a sale is considered to be highly probable. They are stated at the lower of carrying amount and fair value, less expected selling costs.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, and deposits held at call with banks with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Trade and other payables

Trade and other payables are carried at book value.

Inventories

Inventories are carried at the lower of cost and net realisable value.

Net realisable value represents the estimated selling price less all estimated selling expenses.

Segmental analysis

The company Finance Act No. 2 2015, which was substantively enacted on 26 October 2015, includes provisions to reduce the rate of corpor:

Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Abbey Metal Finishing Company Limited
Notes to the financial statements (continued)
for the year ended 31 December 2017

1 Accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than in a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related tax asset is realised or the tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the company and it is probable that the temporary difference will not reverse in the foreseeable future.

Employee benefits

Pension obligations

Abbey Metal Finishing Company Limited is a participating employer in the Linton Park Group Pension Scheme, a defined benefit pension scheme. This is a scheme providing pension benefits to all members of that scheme, and for which it is not possible to identify the company's share of the underlying assets and liabilities. For this reason, pension costs relating to this scheme for the company are charged to the income statement in the period in which they fall due.

The company also operates a defined contribution scheme. Payments to defined contribution retirement schemes are charged as an expense as they fall due.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

- (i) The company has significant investments (including loans) in a subsidiary undertaking. The value of the investments and loans are tested for impairment when circumstances indicate there may be a potential impairment.
- (ii) Depreciation is based on management estimates of the future useful life of property, plant and equipment. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the charges.

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Investments in subsidiary companies

Investments in subsidiary companies are included at cost less any provision for impairment. Impairment reviews are carried out by the directors when there has been an indication of potential impairment.

Abbey Metal Finishing Company Limited
Notes to the financial statements (continued)
for the year ended 31 December 2017

1 Accounting policies (continued)

Changes in accounting policy and disclosures

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the company

(i) New and amended standards adopted by the company

No new and amended standards have been adopted by the company that would have a material impact.

(ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the company

No standards, amendments and interpretations to existing standards that are not yet effective have been adopted early by the company that would have a material impact.

Abbey Metal Finishing Company Limited
Notes to the financial statements (continued)
for the year ended 31 December 2017

2 Revenue	2017	2016
An analysis of the company's revenue, split by destination, is as follows:	£	£
Trading revenues		
United Kingdom	3,682,726	3,905,201
Europe	1,199,985	1,000,264
India	133,615	-
	<u>5,016,326</u>	<u>4,905,465</u>

Revenue originates from operations in England. In the opinion of the directors the activities of the company represent a single class of business.

3 Profit before income tax	2017	2016
	£	£
The following items have been charged/(credited) in arriving at profit (2016: Profit) before income tax:		
Employment costs (note 7)	2,214,018	2,289,215
Depreciation of property, plant and equipment:		
Ownod assets	589,065	608,278
Operating lease charges	18,355	19,176
Gain on translation of amounts denominated in currency	(71,095)	(283,855)
Auditors' remuneration paid by the company	15,685	20,200
Cost of inventories recognised as an expense	595,535	514,929

Abbey Metal Finishing Company Limited
Notes to the financial statements (continued)
for the year ended 31 December 2017

4 Finance income

	2017	2016
	£	£
Received from group undertakings	94,775	92,951
	<u>94,775</u>	<u>92,951</u>

5 Finance costs

	2017	2016
	£	£
Interest paid to group undertakings	95,615	103,522
	<u>95,615</u>	<u>103,522</u>

6 Income tax expense

Analysis of charge in the year

	2017	2016
	£	£
Current tax		
UK corporation tax		
UK corporation tax at 19.25 per cent. (2016: 20 per cent.)	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
	<u>-</u>	<u>-</u>
Income tax expense	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax on the company's profit before tax differs (2016: differs) from the theoretical amount that would arise using the weighted average tax rate applicable to the losses (2016: profits) of the company as follows:

	2017	2016
	£	£
(Loss)/Profit on ordinary activities before tax	(109,505)	79,389
Tax on ordinary activities at the standard rate of corporation tax in the UK of 19.25 per cent (2016: 20 per cent)	(21,076)	15,878
Effects of:		
Income and expenses not chargeable/deductible for tax purposes	-	-
Group relief	(18,241)	(15,878)
Expenses not allowable for tax	31,832	-
Fixed asset timing differences	7,485	-
Unrecoverable deferred tax written off	-	-
Other	-	-
Losses carried forward	<u>-</u>	<u>-</u>
Tax charge	<u>-</u>	<u>-</u>

Finance Act No. 2 2015, which was substantively enacted on 26 October 2015, includes provisions to reduce the rate of corporation tax to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. In addition, the Finance Act 2016, which was substantively enacted on 6 September 2016, introduced a further reduction to the main rate of corporation tax from 18% to 17% from 1 April 2020. Accordingly these rates have been used to determine the deferred tax assets and liabilities as at 31 December 2017.

Abbey Metal Finishing Company Limited
Notes to the financial statements (continued)
for the year ended 31 December 2017

7 Employees

The average monthly number of employees employed by the company during the year, including directors on a service contract, was made up as follows:

	2017 Number	2016 Number
Management and administration	8	8
Production	62	70
	<u>70</u>	<u>78</u>
	2017	2016
	£	£
Employment costs:		
Wages and salaries	1,940,841	2,001,529
Social security costs	178,341	179,296
Other pension costs	94,836	108,390
	<u>2,214,018</u>	<u>2,289,215</u>

8 Emoluments of the directors

	2017 £	2016 £
Aggregate emoluments excluding pension contributions	413,454	302,290
Aggregate pension contributions - defined contribution	16,555	19,498
	<u>430,009</u>	<u>321,788</u>
Highest paid director		
	2017	2016
	£	£
Total emoluments and amounts received under long term incentive schemes	277,363	243,000
Pension contributions	6,000	14,400
	<u>283,363</u>	<u>257,400</u>

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9 Pensions

The company participates in a defined benefit pension scheme operated by Linton Park Services Limited. Further details of the scheme, including the disclosures under IAS 19 "Employee Benefits", are disclosed in the financial statements of that company. The scheme plan was closed to new entrants on 1 November 2006 and new employees are admitted to a defined contribution scheme. The company made no contributions to the scheme during the year (2016: £nil)

Abbey Metal Finishing Company Limited also operates a defined contribution scheme. The charge to the income statement for the year was £94,836 (2016: £108,390).

Abbey Metal Finishing Company Limited
Notes to the financial statements (continued)
for the year ended 31 December 2017

10 Property, plant and equipment

	Freehold land and buildings £	Motor vehicles plant and machinery £	Fixtures, fittings and equipment £	Assets in course of Construction £	Total £
Cost or valuation					
At 1 January 2016	3,009,630	5,688,769	113,354	1,655	8,813,408
Additions	16,857	192,595	-	5,750	215,202
Disposals	-	(14,565)	-	-	(14,565)
At 1 January 2017	3,026,487	5,866,799	113,354	7,405	9,014,045
Additions	4,859	32,977	36,031	70,088	143,955
Disposals	-	45,620	-	(45,620)	-
At 31 December 2017	3,031,346	5,945,396	149,385	31,873	9,158,000
Accumulated depreciation					
At 1 January 2016	297,703	2,810,503	93,583	-	3,201,789
Charge for the year	67,153	525,151	15,974	-	608,278
Disposals	-	(6,919)	-	-	(6,919)
At 1 January 2017	364,856	3,328,735	109,557	-	3,803,148
Charge for the year	67,630	516,141	5,294	-	589,065
Disposals	-	-	-	-	-
At 31 December 2017	432,486	3,844,876	114,851	-	4,392,213
Net book value at 31 December 2017	2,598,860	2,100,520	34,534	31,873	4,765,787
Net book value at 31 December 2016	2,661,631	2,538,064	3,797	7,405	5,210,897

All of the depreciation expense in both the current and prior years was charged to administrative expenses.

11 Inventories

	2017 £	2016 £
Raw materials	136,123	119,447
	136,123	119,447

The cost of inventories recognised as an expense and included in cost of sales was £595,535 (2016: £514,929).

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Abbey Metal Finishing Company Limited
Notes to the financial statements (continued)
for the year ended 31 December 2017

12 Investment in subsidiary undertaking

	Note	2017	2016
		£	£
Investment in subsidiary		<u>27,602</u>	<u>27,602</u>
		<u>27,602</u>	<u>27,602</u>

The subsidiary, of which the company owns 51%, is Atfin GmbH of Robert Drostent Platz 1, Peissenberg, 82380, Germany, incorporated in Germany. The subsidiary provides metal finishing services.

13 Trade and other receivables

	2017	2016
	£	£
Trade receivables	994,651	881,726
Less: provision for impairment of trade receivables	<u>(10,420)</u>	<u>(9,275)</u>
Trade receivables - net	984,231	872,451
Prepayments and accrued income	54,092	78,885
Amounts due from subsidiary undertaking	<u>1,687,096</u>	<u>2,140,753</u>
	2,725,419	3,092,089
Less non-current portion of amounts due from parent undertaking	<u>(1,687,096)</u>	<u>(2,140,753)</u>
Current portion of trade and other receivables	<u>1,038,323</u>	<u>951,336</u>

The amounts due from group undertakings are denominated in Euros, and the carrying value above is translated at the year end exchange rate.

The fair values of trade and other receivables are equal to their carrying values:

The totals and ageing analysis of receivables that were overdue at the reporting date, is shown in the table below:

	0	0
	£	£
Up to 3 months	211,505	108,067
3 to 6 months	<u>36,864</u>	<u>60,554</u>
20	<u>248,369</u>	<u>168,621</u>

14 Cash and cash equivalents (excluding bank overdrafts)

	2017	2016
	£	£
Cash at bank and in hand	<u>319,065</u>	<u>294,299</u>
Cash and cash equivalents, (excluding bank overdraft)	<u>319,065</u>	<u>294,299</u>

15 Trade and other payables

	2017	2016
	£	£
Trade payables	240,346	216,322
Amounts due to parent undertaking	59,410	82,729
Other taxation and social security	136,179	124,965
Other payables	21,333	239,163
Accruals	<u>278,786</u>	<u>83,707</u>
	<u>736,054</u>	<u>746,886</u>

16 Non current amounts due to group undertakings

	2017	2016
	£	£
Amounts due to parent undertaking	<u>2,162,324</u>	<u>2,812,325</u>

Abbey Metal Finishing Company Limited
Notes to the financial statements (continued)
for the year ended 31 December 2017

17 Share capital

	2017 £	2016 £
Authorised: 10,002,000 (2016: 10,002,000) ordinary shares of 10p each	<u>1,000,200</u>	<u>1,000,200</u>
Allotted and fully paid: At 1 January and 31 December 10,002,000 (2016: 10,002,000) ordinary shares of 10p each:	<u>1,000,200</u>	<u>1,000,200</u>

18 Commitments

The company leases plant and equipment under non-cancellable operating lease arrangements. The future aggregate minimum lease payments are as follows:

	2017 £	2016 £
Due within one year:	-	12,884
Due between 1 to 5 years:	-	<u>44,602</u>
	-	<u>57,486</u>

19 Retained earnings

	£
At 1 January 2016	3,763,182
Profit for the year 2016	<u>79,389</u>
At 31 December 2016	3,842,571
Profit for the year 2017	<u>(109,505)</u>
At 31 December 2017	<u>3,733,066</u>

Abbey Metal Finishing Company Limited
Notes to the financial statements (continued)
for the year ended 31 December 2017

20 Financial Instruments

Capital risk management

The company manages its capital to ensure that the company will be able to continue as a going concern, while maximising the return to stakeholders through the optimisation of its debt and equity balance. The capital structure of the company consists of cash and cash equivalents and equity comprising issued capital, reserves and retained earnings.

Categories of financial instruments

The company's principal financial liabilities comprise trade and other payables, and provisions. The company's financial assets consist of trade and other receivables and cash and cash equivalents.

	2017	2016
	£	£
Financial Assets		
Cash and cash equivalents	319,065	294,299
Trade and other receivables	984,231	872,451
Amounts due from subsidiary undertaking	1,687,096	2,140,753
	<u>2,990,392</u>	<u>3,307,503</u>
	2017	2016
	£	£
Financial Liabilities		
Trade and other payables	736,054	746,886
Amounts due to parent undertaking	2,162,324	2,812,325
	<u>2,898,378</u>	<u>3,559,211</u>

Loans with group undertakings are interest bearing at rates between 0% and 5%, are unsecured, and are not repayable until 12 months after the approval of these financial statements.

Fair values

The fair values of the company's financial assets and liabilities are not materially different from their carrying values.

Financial risk management objectives

The main risks arising from the company's financial instruments are cash flow interest rate risk, liquidity risk, currency risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks which is summarised below:

Interest rate risk

The interest rate on the loan to the company's subsidiary undertaking, and the interest bearing portion of the loan from the parent undertaking, are fixed. The company does not earn interest on cash balances. In view of this the directors do not consider there to be any material interest rate risk in the current or previous financial years.

Credit risk

The company has policies in place to limit its exposure to credit risk. Credit risk arises from cash and cash equivalents as well as credit exposure to customers on trade receivables. The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual customer is subject to a limit. At the year end 5 (2016: 5) customers accounted for 54% (2016: 50%) of the total trade receivable balance. £258,357 (2016: £168,621) was overdue as at the balance sheet date, of which £10,420 (2016: £9,275) was considered impaired.

Currency risk

The company has no material exposure to foreign currency exchange risk, apart from the value of its loan to its subsidiary, which is denominated in Euros. A movement of 5% in the exchange rate of the Euro would increase/decrease profit and net assets by £85,000. (2016:100,000) Currency risk is managed by regular reviews by the directors.

Liquidity Risk

The company manages its liquidity risk through the preparation of cash flow projections and the monitoring of accounts receivables. It has access to banking facilities and inter-company funding so as to ensure that it has sufficient funds available to operate.

The table below summarises the maturity profile of the Company's financial liabilities at 31 December based upon contractual undiscounted payments.

	On demand	3 to 12 months	1 to 5 Years
	£	£	£
2017			
Financial liabilities	-	736,054	2,162,324

Finance Act No. 2 2015, which was substantively enacted on 26 October 2015, includes provisions to reduce the rate of corporation tax to 19% with effect from 1 April 2016

Financial liabilities	-	746,886	2,812,325
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Bank facilities

The company participates in a group banking facility with other subsidiary undertakings of the immediate parent company. Each member of the group guarantees the indebtedness under the facility to the other members. As at 31 December 2017, the aggregate liability was £2,184,466 (2016: £275,842).

Abbey Metal Finishing Company Limited
Notes to the financial statements (continued)
for the year ended 31 December 2017

21 Parent Company

The immediate parent undertaking is Unochrome Industries Limited which is registered in England and Wales.
The ultimate parent undertaking and controlling party is Camellia Plc which is registered in England and Wales.
Camellia Plc is the parent undertaking of the largest, and smallest group of undertakings to consolidate these financial statements at 31 December 2017
Copies of the Camellia Plc financial statements can be obtained from Linton Park, Linton, Maidstone, Kent ME17 4AB.

22 Subsidiary undertaking

The subsidiary undertaking at 31 December 2017 was Atfin GmbH of Robert Drostel Platz 1, Peissenberg, 82380, Germany, incorporated in Germany, of which the company held 51% of the equity capital.
Group financial statements are not prepared, as the company is a wholly owned subsidiary of another company incorporated in England.

23 Control of Camellia plc

Camellia Holding AG holds 1,427,000 ordinary shares of Camellia plc (representing 51.34% of total voting rights). Camellia Holding AG is owned by The Camellia Private Trust Company Limited, a private trust company incorporated under the laws of Bermuda to act as a trustee of the Camellia Foundation. The Camellia Foundation is a Bermudian trust, the income of which is utilised for charitable, educational and humanitarian causes at the discretion of the trustees.

24 Related party transactions

During the year the company was charged £345,843 (2016: £453,780) by Camellia plc by way of recharge of group costs.
In 2016 the company incurred costs to the value of £979 (2016: £1,500) with Associated Cold Stores and Transport Limited, an associated company within the group.

At the year-end, the company owed £2,221,734 (2016: £2,812,325) by way of an intercompany loan, to Camellia plc.
At the year-end, the company was due £1,687,096 (2016: £2,140,753) from an intercompany loan, by Atfin GmbH, an associated company within the group.
The balances on these loans at 31 December 2017 and 2016 is shown in the balance sheet. Interest is charged or received on group loans at rates between 0 and 5% (2016: 0 and 5%).